

Information Arbitrage and Conflict of Interest Policy

1. With a view to taking all reasonable steps to identify, monitor and manage conflict of interests, IFMR Capital has put in place this policy to safeguard its own and its clients' interests.

2. This Policy applies to all **Individuals** (meaning employees, interns and consultants as more particularly described later in this Policy). As used here, “**IFMR Capital**” means IFMR Capital as well as all subsidiaries of IFMR Capital or any entity otherwise controlled by IFMR Capital. Each entity controlled by IFMR Capital is referred to as a “**Group Entity**” and must adopt this policy.

3.1 When companies/entities within the IFMR Capital group or even teams within a single Group Entity act in different capacities they often receive different confidential information. The use of Information disclosed for one purpose for any other purpose (“information arbitrage”) exposes Individuals and IFMR Capital to potentially significant regulatory risks, reputational risks and civil liability. In certain cases, like in the case of insider trading, criminal liability may also arise.

3.2 In addition, Individuals may have a variety of interests (personal, professional, financial, etc.) that may conflict with the discharge of their responsibilities towards (or arising from their association with) IFMR Capital. A situation where one or more interests of a person conflict with another interest of the same person is called a “**conflict of interest**”. A conflict of interest may give rise to significant regulatory risks, reputational risks, civil liability and criminal liability.

3.3 Individuals should be aware of and avoid information arbitrage and conflict of interest as far as possible. Where it cannot be avoided, it must be disclosed to all parties who may be affected. Particular care must be taken in case of conflict of interests where one of the interests is a fiduciary duty (directorships, acting as trustee, dealing with minors, etc.).

3.4 Any Individual who is unsure of whether a conflict of interest situation exists is entitled to approach the Chief Legal Counsel (confidentially, at the option of the Individual) for clarification. If any Individual has requested to be excused from a responsibility as a result of any conflict of interest (whether upon the advice of the Chief Legal Counsel or otherwise) **and** has been instructed by the reporting manager of the Individual (or by any other authority senior to that Individual) to continue to discharge any such responsibility, such Individual shall not be liable to IFMR Capital with respect to such conflict. However, nothing contained in this policy is intended to limit in any way liability attaching to an Individual, or a company, under any statute.

4. The term “**Information**”, as used here, refers to all information, whether oral or not, acquired from a non-public source in the course of employment with a Group Entity or due to any other relationship with a Group Entity.

5. Each Individual must:

- know the purpose for which any Information has been disclosed to them and the source of such Information,

- use any Information disclosed to them only for the purpose for which it is disclosed to them,
- determine if the Information disclosed to them is relevant for any work they are doing apart from the purpose for which it was originally disclosed to them and if it is so relevant, bring this fact to the attention of the Information Officer,
- not further disclose the Information (including within the organisation) other as may be required for the purpose of disclosure,
- avoid conflict of interest (See Clause 11 (v) below), **and**
- consult the Information Officer of any Group Entity in case of any doubts about the application of this policy to any Information or purpose (for instance where the purpose requires the disclosure of Information to a third party not covered by this policy or when any Information is relevant for a purpose other than one for which it was disclosed).

6.1 It may be noted that Group Entities may have functional access to information under other policies. In particular, use of Information for academic analysis, statistical analysis, record-keeping and reporting in compliance with anti-money laundering laws, may permit or even require that Information disclosed for one purpose to be used for another purpose. Such use of any Information beyond the purpose for which it was disclosed may be permitted in compliance with the policies specifically addressing those functional access to information and in the absence of such policies, this policy must be followed.

6.2 In particular, nothing contained in this policy shall affect the obligation of any Individual with respect to “whistle-blowing” or to the provision of information to a duly constituted investigating authority under any policy of a group entity (including the policy on prevention of sexual harassment).

7. Any instances of breach of this policy must be brought to the notice of the designated authority (“**Information Officer**”) within the relevant Group Entity. In the absence of an Information Officer, the Chief Legal Counsel, the Compliance Officer, the CEO or the most senior available executive functionary of the Group Entity should be approached. Please also note the provisions in the Code of Conduct relating to the protection of “whistle-blowers”.

8. Every Group Entity is encouraged to take steps to ensure that Individuals are able to comply with the requirements set out above. Such steps may include generation of detailed functional information use policies, training, a system to track Information flows, creation of “Chinese walls” designation of an “Information Officer” and reorganisation of internal structure.

9. Use of Information for personal purposes by Individuals is prohibited.

10. This policy applies to all Information and Conflict of Interests that may give rise to a material risk of damage to the interests of any one or more of a third party, a Client and IFMR Capital.

11. Frequently asked questions:

(i) Which parties’ interests may conflict?

Conflict of Interests may arise:

- IFMR Capital vs. a Client;
- An individual vs. a Client;
- A client vs. another Client.
- An Individual vs. IFMR Capital; and
- An Individual or any Group Entity vs. any regulator in any jurisdiction

(ii) Who is an Individual for the purpose of this policy?

For the purposes of this policy, Individual includes any of the following:

- a trustee, director, partner or equivalent, manager of IFMR Capital;
- where applicable, a director, partner or equivalent, or manager of any Group Entity;
- an employee, consultant or intern of a Group Entity;
- any other natural person whose services are placed at the disposal and under the control of IFMR Capital or an agent of IFMR Capital who is involved in the provision by any Group Entity of investment services and activities;

(iii) Who is a Client for the purpose of this policy?

For the purposes of this policy, Clients include:

- existing clients to whom the Group Entity is currently providing any service;
- potential clients to whom the Group Entity intends to provide any service; and
- past clients of the Group Entity, if the Group entity has any continuing obligations to that such client.

(iv) What are the obligations of each Individual under this Policy?

Each Individual is obliged to determine if such Individual or any Group Entity faces any of the following potential conflict of interests:

- is likely to make a financial gain, or avoid a financial loss, at the expense of the Client;
- has an interest in the outcome of a service provided to the Client or of a transaction carried out on behalf of the Client, which is distinct from the Client's interest in that outcome;
- has a financial or other incentive to favour the interest of another Client or group of Clients over the interests of the Client;
- carries on or has a relative (as relative is defined in the Companies Act, 2013) who carries on the same business as the Client; and/or
- receives or will receive from a person other than the Client any inducement in relation to a service provided to the Client.

(v) When does a conflict of interest actually arise?

An actual conflict of interest can occur in a variety of ways. The exact facts of the conflict will determine the nature of liability under the law. The following is a list of indicative actual conflicts that are likely give rise to liability under the law (this list is not exhaustive and is in no particular order):

- An Individual puts his interest before that of the Group Entity he is employed by or before that of the Client of the Group Entity he is employed by.
- A Group Entity acting for a Client puts its interest before that of its Client.

- Group Entities (or an Individual) put the interest of one Client represented by any of them before the interest of another Client it represented by the same or any Group Entity.
- An Individual or Group Entity puts the interest of a Client before any person (including an investor) who has been reasonably led to believe that the Group Entity is taking into accounts its interests.
- Information received by an Individual or Group Entity for a particular purpose is used for another purpose (unless the law expressly permits the use of such Information provided for the particular purpose to be used for the other purpose).
- An Individual or Group Entity puts the interest of any person (who has been reasonably led to believe that the Group Entity is taking into account its interests) before the interest of a Client. And
- Unless obliged to do so by law, an Individual or Group Entity acts in any manner that may reasonably appear to be damaging to the reputation of IFMR Capital, any Group Entity, any regulator, any client, the financial system (and markets) in India, the financial system (and markets of a jurisdiction other than India).
- In certain circumstances, an Individual who allows herself or himself to be placed in a potential conflict of interest situation may be treated as being conflicted merely by virtue of allowing herself or himself to be placed in that situation.

(vi) What are Chinese Walls?

Any mechanism that is used to ensure that Information is only used for its intended purpose and which reduces information arbitrage is called a “Chinese Wall”. Chinese walls are used to reduce the potential for conflict of interest. However, if an Individual is actually in a conflicted situation, the Chinese wall has failed and will offer no protection to the Individual or Group Entity concerned.

(vii) Are there any exemptions for senior management (persons above the wall)?

No, there are no exemptions for senior management and no one may consider themselves “above the Chinese wall”. Where any Individual finds that such Individual cannot avoid conflict, such Individual must continue to keep all Information confidential, disclose the conflict to reporting authority of the Individual (the Board of Directors in case of the CEO) and refrain from any decision making related to that Information or the relevant conflict.

(viii) Who can provide more information on conflict of interest in a given situation?

In general any queries related to conflict of interest may be raised with reporting managers. However, Individuals are encouraged to bring any conflict of interest or potential conflict of Interest to the notice of the CEO of the relevant Group Entity.

(ix) What kind of legal liability does conflict of interest give rise to?

Conflict of interest can give rise to a very wide variety of causes of action. These causes of action include criminal, tortious, contractual and statutory causes of action. If held liable, an Individual may be imprisoned, fined, asked to pay compensation, censured by the regulator and barred from holding certain offices. Given the serious potential implications of situations involving conflict of interest, Individuals must strive to avoid such situations involving conflict of interest.

Conflict of Interest and Insider Trading

“Insider Trading” means any person who is deemed to be a connected person with access to unpublished price sensitive information with respect to a security indulges in subscribing, buying, selling, dealing or agreeing to subscribe, buy, sell, deal in such securities.

“Securities” means shares, scrips, stocks, bonds, debentures, debenture stock or other marketable securities of a like nature in or of IFMR Capital or clients/ investors of IFMR Capital and includes units of funds managed by IFMR Capital.

Definitions:

- Connected person in general means a person who has a connection with the company that is expected to put him/ her in possession of unpublished price sensitive information.
- Unpublished price sensitive information means information relating to a company or its securities, which is likely to materially affect the price of such securities.
- An insider means a connected person or a person with access with unpublished price sensitive information.

Examples of unpublished price sensitive information might include (without limitation) the following:

- Acquisition and divestiture of businesses or business units.
- Financial information such as profits, earnings and dividends.
- Announcement of new product introductions or developments.
- Asset revaluations.
- Investment decisions / plans.
- Restructuring plans.
- Borrowings and finance.

An employee of IFMR Capital shall also respect and observe the confidentiality of information pertaining to other companies, their patents, intellectual property rights, trademarks and inventions.

The following must be ensured by all persons in connection with unpublished price sensitive information:

- Persons in possession of such information must not communicate the same to other persons except for legitimate purposes, performance of duties or for discharge of legal obligations
- No connected person shall trade in securities of IFMR Capital/ that of its clients while in possession of unpublished price sensitive information. In case of resigned employees shall not trade in such securities, for one month from the date of official relieving of duties. In cases where a connected persons procured such securities before the effective date of this policy, the same shall be disclosed to the Chief Executive Officer of IFMR

Capital and a suitable trading plan on the same must be proposed and approved by the CEO.

Disclosures:

Every director and employee of IFMR Capital shall disclose his/ her holding of securities or its clients (as updated on the ERP from time to time), to the Chief Executive Officer and Compliance Officer of the Company. Such persons shall also disclose the number of such securities acquired/ disposed of within two days of such transaction where the value of such transactions over a calendar quarter exceeds INR 1 lakh.

The Compliance Officer shall be responsible for reporting the details of securities held/ disposed of during the quarter.

Amendment Log

Conflict of interest

Version No.	Effective Date	Author (s)	Reference to changes	Approver
1.0	11 May 2016	Srividhya R	Date of approval	Board
1.1	3 August 2016	Srividhya R	Added insider trading clauses	Board